

FIRST MID ILLINOIS BANCSHARES INC  
 Form 4  
 August 25, 2006

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MELVIN GARY W

2. Issuer Name and Ticker or Trading Symbol  
 FIRST MID ILLINOIS BANCSHARES INC [FMBH.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 RR 1, BOX 226  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 08/25/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

SULLIVAN, IL 61951  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	01/09/2006		J <sup>(1)</sup>	V	997.462	A	\$ 41 158,289.655	D	
Common Stock	06/15/2006		J <sup>(1)</sup>	V	1,026.317	A	\$ 40.1 159,315.972	D	
Common Stock	01/09/2006		J <sup>(1)</sup>	V	153.292	A	\$ 41 24,326.375	I	By Deferred Comp
Common Stock	06/15/2006		J <sup>(1)</sup>	V	157.727	A	\$ 40.1 24,484.102	I	By Deferred Comp

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price or Value of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 10.45					10/21/1997	10/21/2007	Common Stock	1,125
Stock Option	\$ 14.99					12/15/1997	01/12/2008	Common Stock	1,125
Stock Option	\$ 15.55					12/15/1998	12/22/2008	Common Stock	1,125
Stock Option	\$ 15.33					12/13/1999	12/13/2009	Common Stock	1,125
Stock Option	\$ 12.55					12/18/2000	12/18/2010	Common Stock	1,125
Stock Option	\$ 16					12/18/2001	12/18/2011	Common Stock	1,500
Stock Option	\$ 18.17					12/16/2002	12/16/2012	Common Stock	1,500
Stock Option	\$ 31					12/16/2003	12/16/2013	Common Stock	2,250
Stock Option	\$ 41					12/14/2004	12/14/2014	Common Stock	2,250

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director   10% Owner   Officer   Other

MELVIN GARY W  
RR 1, BOX 226  
SULLIVAN, IL 61951

X

## Signatures

Michael L. Taylor, pursuant to a power of attorney  
11/1/02

08/25/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Shares acquired through the Company's dividend reinvestment plan with dividends paid on shares of common stock held.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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